



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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**NEWS RELEASE**

FOR RELEASE March 15, 2005

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on Poweshiek County, Iowa.

The County has implemented new reporting standards for the year ended June 30, 2004, with significant changes in content and structure of the financial statements. The new financial statements include a Statement of Net Assets and a Statement of Activities which provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Also included is Management's Discussion and Analysis of the County's financial statements.

The County had local tax revenue of \$22,274,586 for the year ended June 30, 2004, which included \$942,719 in tax credits from the state. The County forwarded \$17,479,771 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,794,815 of the local tax revenue to finance County operations. Other revenues included charges for service of \$1,845,115, operating grants, contributions and restricted interest of \$3,363,801, capital grants, contributions and restricted interest of \$803,623, unrestricted investment earnings of \$55,400 and other general revenues of \$95,616.

Expenses for County operations totaled \$8,469,094. Expenses included \$2,602,642 for roads and transportation, \$1,371,326 for mental health and \$1,356,499 for county environment and education.

A copy of the audit report is available for review in the Office of Auditor of State and the County Auditor's office.

# # #

**POWESHIEK COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2004**

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**Poweshiek County**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Roger Roudabush	Board of Supervisors	Jan 2005
Tom Law	Board of Supervisors	Jan 2007
Sandy Moffett	Board of Supervisors	Jan 2007
Jo Wray	County Auditor	Jan 2005
Lana Taylor	County Treasurer	Jan 2007
Beverly Malloy	County Recorder	Jan 2007
Thomas B. Sheets	County Sheriff	Jan 2005
Michael W. Mahaffey	County Attorney	Jan 2007
Margaret Hutchinson	County Assessor	Jan 2010

**Poweshiek County**



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**Independent Auditor's Report**

To the Officials of Poweshiek County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County, Iowa, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Poweshiek County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The County did not determine the amount of materials and supplies inventories pertaining to the Secondary Roads Fund, a major governmental fund, at July 1, 2003, although required by U.S. generally accepted accounting principles. As a result, the net assets of the governmental activities and the fund balance of the Secondary Roads Fund are understated at the beginning of the year, and the expenses of the governmental activities and expenditures of the Secondary Roads Fund are understated for the year ended June 30, 2004 by the same amount. These amounts are not reasonably determinable.

In our opinion, except for the effects of the omission of the materials and supplies inventories for the Secondary Roads Fund at July 1, 2003 on the governmental activities and the Secondary Roads Fund, as described above, the financial statements referred to above present fairly, in all material respects, the changes in financial position of the governmental activities and the Secondary Roads Fund of Poweshiek County for the year ended June 30, 2004, in conformity with U.S. generally accepted accounting principles.


In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County at June 30, 2004, and the respective changes in financial position of the General Fund, Mental Health Fund, Rural Services Fund and the aggregate remaining fund information thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 14 to the financial statements, during the year ended June 30, 2004, Poweshiek County adopted Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosures; Statement No. 41, Budgetary Comparison Schedule – Perspective Differences; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

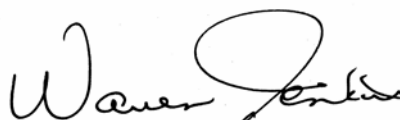
In accordance with Government Auditing Standards, we have also issued our reports dated January 20, 2005 on our consideration of Poweshiek County’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management’s Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 46 through 48 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Poweshiek County’s basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (which are not presented herein) and expressed qualified opinions on those financial statements for the omission of general fixed assets or capital assets and materials and supplies inventory for the Secondary Roads Fund. Other supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

January 20, 2005

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Poweshiek County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2004. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

Because Poweshiek County is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the County's financial position and results of operations.

### **2004 FINANCIAL HIGHLIGHTS**

- The County's governmental fund revenues increased approximately \$1,400,000 from fiscal year 2003 to fiscal year 2004. Property tax and other county tax increased approximately \$670,000 and intergovernmental revenues increased approximately \$427,000.
- The County's governmental fund expenditures increased approximately \$406,000 from fiscal year 2003 to fiscal year 2004. Roads and transportation expenditures decreased by approximately \$629,000, capital projects expenditures increased approximately \$685,000 and county environment and education expenditures increased approximately \$359,000.
- The County's net assets increased 30%, or approximately \$2,500,000, from June 30, 2003 to June 30, 2004.

### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Poweshiek County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Poweshiek County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Poweshiek County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.



Other Supplementary Information provides detailed information about the nonmajor governmental funds and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the County.

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

### *Fund Financial Statements*

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, and 3) the Debt Service Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) Proprietary funds account for the County's Internal Service, Employee Group Health Insurance Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

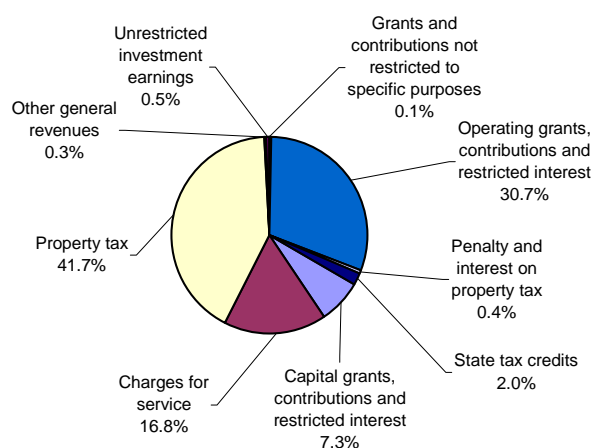
As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net assets for governmental activities.

Net Assets of Governmental Activities (Expressed in Thousands)	
	June 30, 2004
Current and other assets	\$ 12,210
Capital assets	4,669
Total assets	16,879
Long-term liabilities	611
Other liabilities	5,396
Total liabilities	6,007
Net assets:	
Invested in capital assets, net of related debt	4,606
Restricted	4,675
Unrestricted	1,591
Total net assets	\$ 10,872

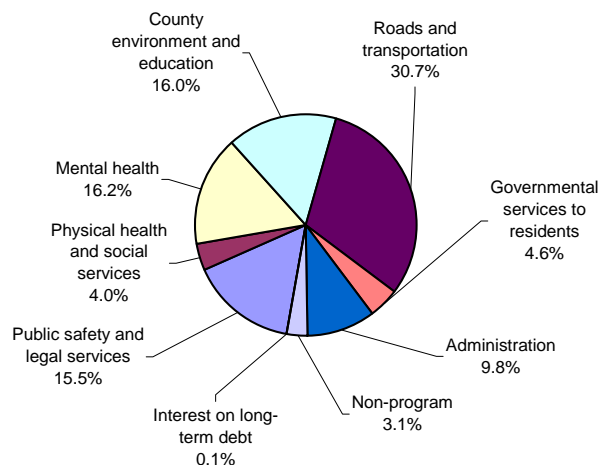
Net assets of Poweshiek County's governmental activities increased by 30% (\$10.9 million compared to \$8.4 million). A large portion of the County's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—are \$1,591,186 at June 30, 2004.

Changes in Net Assets of Governmental Activities (Expressed in Thousands)	
	Year ended June 30, 2004
Revenues:	
Program revenues:	
Charges for service	\$ 1,845
Operating grants, contributions and restricted interest	3,364
Capital grants, contributions and restricted interest	804
General revenues:	
Property tax	4,573
Penalty and interest on property tax	49
State tax credits	222
Grants and contributions not restricted to specific purposes	14
Unrestricted investment earnings	55
Other general revenues	32
Total revenues	10,958
Program expenses:	
Public safety and legal services	1,310
Physical health and social services	338
Mental health	1,371
County environment and education	1,356
Roads and transportation	2,603
Governmental services to residents	392
Administration	832
Non-program	261
Interest on long-term debt	6
Total expenses	8,469
Increase in net assets	2,489
Net assets beginning of year, as restated	8,383
Net assets end of year	\$ 10,872

**Revenue by Source**



**Expenses by Program**



The County increased property tax rates for 2004 by an average of 9 percent. This increase raised the County's property tax revenue by approximately \$430,000 in 2004. County wide taxable valuations in Poweshiek County have fluctuated as follows: from \$752,290,657 in FY 03, \$764,500,271 in FY 04 and \$736,945,481 in FY 05. Based on fluctuations in the total assessed valuation, property tax revenue is budgeted to increase by an additional \$48,822 next year.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As Poweshiek County completed the year, its governmental funds reported a combined fund balance of \$6.5 million, an increase of approximately \$1.6 million above last year's total of \$4.9 million. The increase in fund balance is primarily attributable to county wide property tax rates increasing from \$6.28066 in FY 03 to \$6.84669 in FY 04. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$272,000 over the prior year due to the implementation of the general supplemental levy. In addition, the valuations increased, causing an increase in taxes levied. Expenditures remained consistent when compared to the prior year. The ending fund balance showed an increase of approximately \$376,000 over the prior year to approximately \$1,182,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$1,390,000, a decrease of 5% from the prior year. The Mental Health Fund balance at year ended decreased by approximately \$151,000 from the prior year.
- Secondary Roads Fund revenues increased by approximately \$390,000 over the prior year, due principally to four different BROS projects that were on going or completed during the year. In FY 03, Poweshiek County had no BROS funded projects. Expenditures remained fairly consistent when compared to the prior year because no new equipment was purchased in FY04. In addition, less was spent for roads while capital projects increased due to the BROS projects.
- There were no significant changes in revenues, expenditures and the fund balance of the Rural Services Fund.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Poweshiek County amended its budget two times. The first amendment was made in November 2003 and resulted in an increase in budgeted disbursements related to public safety and legal services, roads and transportation, administration, non-program and capital projects. The second amendment was made in March 2004. This amendment was made to public safety and legal services, physical health and social services, county environment and education, governmental services to residents, administration and capital projects. These amendments were made to provide for additional expenditures in the above referenced functions.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2004, Poweshiek County had approximately \$4.7 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)	
	June 30, 2004
Land	\$ 1,027
Construction in progress	573
Buildings and improvements	742
Equipment and vehicles	2,212
Infrastructure	115
Total	<u>\$ 4,669</u>
This year's major additions included (in thousands):	
Capital assets contributed by the Iowa Department of Transportation	\$ 119
Diamond Lake Trail project	119
Total	<u>\$ 238</u>

The County had depreciation expense of \$365,063 in FY04 and total accumulated depreciation of \$4,169,455 at June 30, 2004. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

### **Long-Term Debt**

At June 30, 2004, Poweshiek County had approximately \$63,000 in general obligation notes and other debt outstanding compared to approximately \$174,000 at June 30, 2003. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)	
	June 30, 2004
General obligation notes	\$ 41
Deferred payment contract	22
Total	<u>\$ 63</u>

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County. The County's outstanding general obligation debt is well below its constitutional debt limit of \$39,927,328.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Poweshiek County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2005 budget, tax rates and the fees that will be charged for various County activities. In an ongoing effort to maintain County services without raising tax levies, the Poweshiek County Board of Supervisors is committed to limiting expenditure increases, using excess fund balances and reducing funding to non-mandated programs to provide essential services for the citizens of Poweshiek County. The FY 2005 county-wide property tax rate is \$6.39842 per \$1,000 of taxable valuation.

Budgeted disbursements in the FY 2005 operating budget are approximately \$11,337,505, a decrease of 1% from the final FY 2004 budget. Poweshiek County will spend down fund balances to finance programs currently offered to offset the effect inflation has on program costs. Increased wage adjustments for union and pay-plan employees represent the largest portion of the increased expenses. Poweshiek County has added no major programs to the 2005 budget.

Per Capita Income: For fiscal year 2005, July 1, 2004 through June 30, 2005, Poweshiek County ranks 37<sup>th</sup> in the state with a population of 19,033. Poweshiek County ranks 50<sup>th</sup> in the state for FY 05 Property and Utility Taxes in the amount of \$4,569,251. Poweshiek County ranks 70<sup>th</sup> in the State for per capita taxes in the amount of \$240. Poweshiek County ranks 32<sup>nd</sup> in the State for taxable valuation including utilities in the amount of \$736,945,481. Poweshiek County ranks 28<sup>th</sup> in the State in valuation per capita in the amount of \$38,719. Poweshiek County ranks 25<sup>th</sup> in the State in area in square miles. Poweshiek County ranks 37<sup>th</sup> in the State in population per square mile in the amount of 32.31. Poweshiek County ranks 13<sup>th</sup> in the State in personal income per capita (2002) in the amount of \$28,417.

County Population: In July 2003, Poweshiek County's population was estimated at 19,033. The estimated county population in July 2002 was 18,977 and in July 1, 2001 was 18,874. The 2000 county census reflected a population of 18,815. The 1990 county census reflected a population of 19,033. The percentage change between 2000-2003 was 1.16%. The percentage change between 1990-2003 was 0.00%. The percentage change between 1980-2003 was 1.41%. The county population of the unincorporated area is 5,921, 31.1% of total county population, and the population of the incorporated area is 13,112, 68.9% of total county population of 19,033.

County Property Tax Levies and Valuation Trends: For fiscal years 2000-2005, Poweshiek County has experienced the following trends in property taxes levied. In FY 03, property taxes levied were \$3,861,051, in FY 04 property taxes levied increased to \$4,299,150 and in FY 05 property taxes levied were \$4,347,972.

For fiscal years 2000-2005, Poweshiek County has experienced the following trends in taxable valuations. In FY 00, the County's taxable valuation was \$652,469,545. The valuation increased to \$686,210,737 in FY 01 and continued to increase in FY 02, FY 03 and FY 04 to \$718,561,873, \$752,290,657 and \$764,500,271, respectively. The taxable valuation decreased in FY 05 to \$736,945,481.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Poweshiek County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Poweshiek County Auditor's Office, 302 East Main Street, Montezuma, Iowa 50171.

**Poweshiek County**

## **Basic Financial Statements**



**Exhibit A**

Poweshiek County  
Statement of Net Assets  
June 30, 2004

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and pooled investments	\$ 6,307,246
Receivables:	
Property tax:	
Delinquent	19,378
Succeeding year	4,837,000
Interest and penalty on property tax	12,027
Accounts	123,325
Accrued interest	9,118
Due from other governments	392,289
Inventories	418,861
Prepaid insurance	90,503
Capital assets (net of accumulated depreciation)	<u>4,668,851</u>
<b>Total assets</b>	<u>16,878,598</u>
<b>Liabilities</b>	
Accounts payable	455,555
Due to other governments	102,992
Deferred revenue:	
Succeeding year property tax	4,837,000
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes	41,312
Deferred payment contract	21,500
Compensated absences	121,695
Portion due or payable after one year:	
Compensated absences	51,815
Landfill postclosure care	<u>375,000</u>
<b>Total liabilities</b>	<u>6,006,869</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	4,606,039
Restricted for:	
Supplemental levy purposes	180,544
Mental health purposes	391,100
Secondary roads purposes	3,246,163
Debt service	13,215
Other purposes	843,482
Unrestricted	<u>1,591,186</u>
<b>Total net assets</b>	<u>\$ 10,871,729</u>

See notes to financial statements.

Poweshiek County  
Statement of Activities  
Year ended June 30, 2004

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions / Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 1,310,618	248,464	63,715	-	(998,439)
Physical health and social services	337,889	33,254	128,723	-	(175,912)
Mental health	1,371,326	-	790,742	-	(580,584)
County environment and education	1,356,499	961,752	28,468	82,024	(284,255)
Roads and transportation	2,602,642	49,905	2,306,686	721,599	475,548
Governmental services to residents	391,735	351,328	15,845	-	(24,562)
Administration	831,625	9,125	29,380	-	(793,120)
Non-program	260,754	191,287	-	-	(69,467)
Interest on long-term debt	6,006	-	242	-	(5,764)
Total	<u>\$ 8,469,094</u>	<u>1,845,115</u>	<u>3,363,801</u>	<u>803,623</u>	<u>(2,456,555)</u>
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					4,497,002
Debt service					76,134
Penalty and interest on property tax					49,367
State tax credits					221,679
Grants and contributions not restricted to specific purpose					14,057
Unrestricted investment earnings					55,400
Gain on disposal of capital assets					944
Miscellaneous					31,248
Total general revenues					<u>4,945,831</u>
Change in net assets					2,489,276
Net assets beginning of year, as restated					<u>8,382,453</u>
Net assets end of year					<u>\$ 10,871,729</u>

See notes to financial statements.

Poweshiek County  
Balance Sheet  
Governmental Funds

June 30, 2004

		Special Revenue			
		General	Mental Health	Rural Services	Secondary Roads
Assets					
Cash and pooled investments	\$	995,126	546,811	437,241	2,739,884
Receivables:					
Property tax:					
Delinquent		10,607	1,699	6,928	-
Succeeding year		2,748,000	440,000	1,280,000	-
Interest and penalty on property tax		12,027	-	-	-
Accounts		3,356	22,834	-	370
Accrued interest		9,032	-	-	-
Due from other funds		22,072	-	-	14,886
Due from other governments		62,114	179	371	324,698
Inventories		-	-	-	418,861
Prepaid insurance		90,503	-	-	-
Advance to Internal Service Fund		100,000	-	-	-
Total assets		\$ 4,052,837	1,011,523	1,724,540	3,498,699
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$	67,568	59,663	230	173,214
Due to other funds		1,446	22,072	619	-
Due to other governments		8,673	92,980	75	-
Deferred revenue:					
Succeeding year property tax		2,748,000	440,000	1,280,000	-
Other		44,706	1,699	6,928	131,253
Total liabilities		2,870,393	616,414	1,287,852	304,467
Fund balances:					
Reserved for:					
Supplemental levy purposes		179,801	-	-	-
Debt service		-	-	-	-
Advance to Internal Service Fund		100,000	-	-	-
Unreserved, reported in:					
General fund		902,643	-	-	-
Special revenue funds:					
Designated for postclosure care		-	-	-	-
Undesignated		-	395,109	436,688	3,194,232
Total fund balances		1,182,444	395,109	436,688	3,194,232
Total liabilities and fund balances		\$ 4,052,837	1,011,523	1,724,540	3,498,699

See notes to financial statements.

Nonmajor Funds	Total
1,218,508	5,937,570
144	19,378
369,000	4,837,000
-	12,027
96,765	123,325
86	9,118
-	36,958
4,927	392,289
-	418,861
-	90,503
-	100,000
1,689,430	11,977,029

54,880	355,555
12,821	36,958
1,264	102,992
369,000	4,837,000
144	184,730
438,109	5,517,235

-	179,801
13,071	13,071
-	100,000
-	902,643
375,000	375,000
863,250	4,889,279
1,251,321	6,459,794
1,689,430	11,977,029

**Poweshiek County**

## Poweshiek County

Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Assets

June 30, 2004

<b>Total governmental fund balances (page 19)</b>	\$ 6,459,794
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***Amounts reported for governmental activities in the Statement of Net Assets are different because:***

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$8,838,306 and the accumulated depreciation is \$4,169,455.	4,668,851
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Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	184,730
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The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	169,676
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Long-term liabilities, including notes payable, deferred payment contract payable, landfill postclosure care and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(611,322)</u>
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<b>Net assets of governmental activities (page 16)</b>	<u><u>\$ 10,871,729</u></u>
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See notes to financial statements.

Poweshiek County  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2004

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 2,657,600	420,770	1,134,637	-
Interest and penalty on property tax	48,489	-	-	-
Intergovernmental	384,464	812,283	58,539	2,777,547
Licenses and permits	21,332	-	18,984	22,092
Charges for service	413,930	-	6,080	-
Use of money and property	79,369	-	-	203
Fines, forfeitures and defaults	-	-	-	-
Miscellaneous	9,815	4,432	-	28,277
Total revenues	3,614,999	1,237,485	1,218,240	2,828,119
Expenditures:				
Operating:				
Public safety and legal services	1,219,099	-	-	-
Physical health and social services	338,328	-	722	-
Mental health	-	1,388,723	-	-
County environment and education	254,866	-	40,654	-
Roads and transportation	-	-	-	2,424,210
Governmental services to residents	375,395	-	4,602	-
Administration	837,374	-	-	-
Non-program	114,127	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	550,991
Total expenditures	3,139,189	1,388,723	45,978	2,975,201
Excess (deficiency) of revenues over (under) expenditures	475,810	(151,238)	1,172,262	(147,082)
Other financing sources (uses):				
Operating transfers in	50,328	-	-	1,302,697
Operating transfers out	(149,819)	-	(1,145,346)	-
Total other financing sources (uses)	(99,491)	-	(1,145,346)	1,302,697
Net change in fund balances	376,319	(151,238)	26,916	1,155,615
Fund balances beginning of year, as restated	806,125	546,347	409,772	2,038,617
Fund balances end of year	\$ 1,182,444	395,109	436,688	3,194,232

See notes to financial statements.

Nonmajor Funds	Total
365,665	4,578,672
-	48,489
266,882	4,299,715
-	62,408
920,986	1,340,996
1,693	81,265
48,279	48,279
18,214	60,738
1,621,719	10,520,562

94,755	1,313,854
-	339,050
-	1,388,723
1,042,111	1,337,631
-	2,424,210
10,695	390,692
-	837,374
-	114,127
95,482	95,482
164,423	715,414
1,407,466	8,956,557

214,253	1,564,005
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82,468	1,435,493
(140,328)	(1,435,493)
(57,860)	-

156,393	1,564,005
1,094,928	4,895,789
1,251,321	6,459,794



## Poweshiek County

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances -  
Governmental Funds to the Statement  
of Activities

Year ended June 30, 2004

**Net change in fund balances - Total governmental funds (page 23)** \$ 1,564,005***Amounts reported for governmental activities in the Statement of  
Activities are different because:***

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 702,855	
Capital assets contributed by the Iowa Department of Transportation	119,282	
Depreciation expense	<u>(365,063)</u>	457,074

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the sale as an increase in financial resources.

944

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds, as follows:

Property tax	(4,658)	
Other	<u>153,025</u>	148,367

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

112,095

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

7,191

The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.

199,600**Change in net assets of governmental activities (page 17)**\$ 2,489,276

See notes to financial statements.

Poweshiek County  
Statement of Net Assets  
Proprietary Fund  
June 30, 2004

	Internal Service - Employee Group Health
<b>Assets</b>	
Cash and cash equivalents	\$ 369,676
<b>Liabilities</b>	
Accounts payable	100,000
Advance from General Fund	100,000
Total liabilities	200,000
<b>Net Assets</b>	
Unrestricted	\$ 169,676

See notes to financial statements.

Poweshiek County  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Proprietary Fund

Year ended June 30, 2004

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 772,990
Reimbursements from employees		89,170
Insurance reimbursements		<u>33</u>
Total operating revenues		862,193
Operating expenses:		
Medical claims	\$ 528,501	
Insurance premiums	99,221	
Administrative fees	29,670	
Miscellaneous	<u>5,890</u>	<u>663,282</u>
Operating income		198,911
Non-operating revenues:		
Interest income		<u>689</u>
Net income		199,600
Net assets beginning of year		<u>(29,924)</u>
Net assets end of year		<u><u>\$ 169,676</u></u>

See notes to financial statements.

Poweshiek County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2004

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 772,990
Cash received from employees and others	89,203
Cash paid to suppliers for services	(638,282)
Net cash provided by operating activities	223,911
Cash flows from investing activities:	
Interest on investments	689
Net increase in cash and cash equivalents	224,600
Cash and cash equivalents beginning of year	145,076
Cash and cash equivalents end of year	\$ 369,676
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 198,911
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	25,000
Net cash provided by operating activities	\$ 223,911

See notes to financial statements.

Poweshiek County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2004

**Assets**

## Cash and pooled investments:

County Treasurer	\$ 930,060
Other County officials	16,335

## Receivables:

## Property tax:

Delinquent	48,839
Succeeding year	16,182,000

Accounts	31,464
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Succeeding year special assessments	8,411
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Due from other governments	10,813
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<b>Total assets</b>	<u>17,227,922</u>
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**Liabilities**

Accounts payable	4,158
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Due to other governments	17,198,575
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Trusts payable	15,346
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Compensated absences	9,843
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<b>Total liabilities</b>	<u>17,227,922</u>
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<b>Net assets</b>	<u><u>\$ -</u></u>
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See notes to financial statements.

Poweshiek County

Notes to Financial Statements

June 30, 2004

**(1) Summary of Significant Accounting Policies**

Poweshiek County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

**A. Reporting Entity**

For financial reporting purposes, Poweshiek County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. The County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Poweshiek County Assessor's Conference Board, Poweshiek County Emergency Management Services Commission and Poweshiek County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Drug Task Force Agreement, South Central Iowa Solid Waste Agency and Poweshiek Area Development Corporation.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

Additionally, the County reports the following funds:

Proprietary Fund - An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants and then by general revenues.



The proprietary fund of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2003.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected. Succeeding year special assessment receivable represents assessments which are payable but not yet due.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2004, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	35,000
Land improvements	25,000
Equipment and vehicles	10,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful lives (In Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Infrastructure	30 - 50
Equipment	3 - 20
Vehicles	5 - 15

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2004. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Secondary Roads and Sanitary Disposal Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Unrestricted Net Assets – The unrestricted net assets of the Internal Service Fund are designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2004, disbursements in the non-program and capital projects functions exceeded the budgeted amounts before budget amendments were adopted.

**(2) Cash and Pooled Investments**

The County's deposits in banks at June 30, 2004 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County's investments are categorized to give an indication of the level of risk assumed by the County at year end. The County's investments are all Category 1, which means the investments are insured or registered or the securities are held by the County or its agent in the County's name.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The County's investments at June 30, 2004 are as follows:

<u>Type</u>	<u>Fair Value</u>
U.S. Government Securities	<u>\$ 7,193</u>

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$2,973,246 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

**(3) Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2004 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue: Mental Health	\$ 22,072
Special Revenue: Secondary Roads	General	1,446
	Special Revenue: Rural Services	619
	Sanitary Disposal	12,821
Total		<u>\$ 36,958</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

**(4) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Conservation Land Acquisition	\$ 50,000
	Special Law Enforcement	183
	Sheriff/Jail	142
	County Attorney Forfeiture	3
		<u>50,328</u>
Special Revenue: Secondary Roads	General	99,819
	Special Revenue: Rural Services	1,112,878
	Urban Renewal Revenue	90,000
		<u>1,302,697</u>
Conservation Land Acquisition	General	50,000
Sanitary Disposal	Special Revenue: Rural Services	32,468
Total		<u>\$ 1,435,493</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

**(5) Capital Assets**

Capital assets activity for the year ended June 30, 2004 was as follows:

	Balance Beginning of Year (as restated, note 14)	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 907,640	119,282	-	1,026,922
Construction in progress	-	572,926	-	572,926
Total capital assets not being depreciated	907,640	692,208	-	1,599,848
Capital assets being depreciated:				
Buildings	1,455,366	-	-	1,455,366
Equipment and vehicles	5,662,429	18,700	(17,016)	5,664,113
Infrastructure	-	118,979	-	118,979
Total capital assets being depreciated	7,117,795	137,679	(17,016)	7,238,458
Less accumulated depreciation for:				
Buildings	684,317	29,057	-	713,374
Equipment and vehicles	3,130,285	332,040	(10,210)	3,452,115
Infrastructure	-	3,966	-	3,966
Total accumulated depreciation	3,814,602	365,063	(10,210)	4,169,455
Total capital assets being depreciated, net	3,303,193	(227,384)	(6,806)	3,069,003
Governmental activities capital assets, net	\$ 4,210,833	464,824	(6,806)	4,668,851

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 39,538
Mental health	12,702
County environment and education	22,876
Roads and transportation	259,807
Governmental services to residents	21,719
Administration	8,421
Total depreciation expense - governmental activities	<u>\$ 365,063</u>

**(6) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

Fund	Description	Amount
General	Services	\$ 8,673
Special Revenue:		
Mental Health	Services	92,980
Rural Services	Services	75
Sanitary Disposal	Services	1,264
		<u>94,319</u>
Total for governmental funds		<u>\$ 102,992</u>
Agency:		
County Assessor	Collections	\$ 499,702
Schools		10,250,301
Community Colleges		754,225
Corporations		4,876,787
Auto License and Use Tax		345,229
All other		472,331
Total for agency funds		<u>\$ 17,198,575</u>

**(7) Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2004 is as follows:

	Installment Purchase	General Obligation Notes	Deferred Payment Contract	Compensated Absences	Estimated Liability for Landfill Postclosure Care	Total
Balance beginning of year, as restated, note 14	\$ 1,119	130,788	43,000	180,701	375,000	730,608
Increases	-	-	-	215,619	-	215,619
Decreases	1,119	89,476	21,500	222,810	-	334,905
Balance end of year	\$ -	41,312	21,500	173,510	375,000	611,322
Due within one year	\$ -	41,312	21,500	121,695	-	184,507

**Installment Purchase Agreement**

The installment purchase agreement for a truck was paid in full during the year ended June 30, 2004.

**General Obligation Notes Payable**

A summary of the County's June 30, 2004 general obligation notes payable is as follows:

Year Ending June 30,	Issued November, 1999			
	Interest Rates	Principal	Interest	Total
2005	4.65%	\$ 41,312	1,921	43,233

During the year ended June 30, 2004, the County retired notes of \$89,476.

#### Deferred Payment Contract

On November 30, 2001, the County entered into a deferred payment contract to purchase land and a building. The total cost was \$86,000, with no interest, to be financed over a four-year period. During the year ended June 30, 2004, \$21,500 was paid under this agreement. The principal balance at June 30, 2004 was \$21,500.

#### **(8) Pension and Retirement Benefits**

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll, except for law enforcement employees, in which case the percentages for the year ended June 30, 2004 are 4.99% and 7.48%, respectively. For the year ended June 30, 2003, the contribution rates for law enforcement employees and the County were 5.37% and 8.05%, respectively, and for the year ended June 30, 2002, the contribution rates for law enforcement employees and the County were 5.50% and 8.25%, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2004, 2003 and 2002 were \$171,492, \$175,964 and \$179,122, respectively, equal to the required contributions for each year.

#### **(9) Risk Management**

Poweshiek County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 490 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.



The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2004 were \$181,006.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in the aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks are also reinsured on an individual member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2004, no liability has been recorded in the County's financial statements. As of June 30, 2004, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation, boiler and machinery and employee blanket bond in the amount of \$1,000,000, \$1,000,000 and \$80,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **(10) Employee Health Insurance Plan**

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Employee Group Services, LTD., (EGS). The agreement was effective July 1, 1991 and is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$25,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to EGS from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2004 was \$772,990.

Amounts payable from the Employee Group Health Fund at June 30, 2004 total \$100,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. The reserve was \$169,676 at June 30, 2004 and is reported as a designation of the Internal Service, Employee Group Health Fund retained earnings. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 75,000
Incurred claims (including claims incurred but not reported at June 30, 2004)	553,501
Payment on claims during the fiscal year	<u>(528,501)</u>
Unpaid claims end of year	<u>\$ 100,000</u>

**(11) Postclosure Care**

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually. These costs for the Poweshiek County Sanitary Landfill have been estimated at \$375,000 as of June 30, 2004 and a liability of that amount has been recognized.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund postclosure care and, at June 30, 2004, deposits of \$375,000 held for these purposes are reported in the Special Revenue, Sanitary Disposal Fund.

**(12) Contingent Liability for Closure and Postclosure Care**

Poweshiek County participates in the South Central Iowa Solid Waste Agency, created under Chapter 28E of the Code of Iowa. The purpose of the Agency includes providing economic disposal of solid waste produced or generated within the member counties and municipalities.

The County has provided a local government guarantee for a portion of the closure and postclosure care of the landfill per Chapter 111.6(8) of the Iowa Administrative Code. The County's financial assurance obligation totals \$229,268.

In the event the South Central Iowa Solid Waste Agency fails to perform closure or postclosure care in accordance with the appropriate plan or permit whenever required to do so or fails to obtain alternate financial assurance within 90 days of intent to cancel, Poweshiek County will perform or pay a third party to perform closure and/or postclosure care or establish a standby trust fund in the name of the South Central Iowa Solid Waste Agency or obtain alternate financial assurance in the amount of \$229,268.

**(13) Development Agreement**

The County entered into a development agreement to assist in an urban renewal project. The County agreed to rebate 100% of the incremental tax paid by the developer in exchange for the construction of a corn processing facility. The incremental tax to be received by the County under Chapter 403.19 of the Code of Iowa from the developer will be rebated in twenty semi-annual payments beginning on December 1, 2003. The total to be paid by the County under this agreement is not to exceed \$2,509,260. As of June 30, 2004, \$195,410 has been paid to the developer.

**(14) Accounting Change and Restatements**

Governmental Accounting Standards Board Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements was implemented during the year ended June 30, 2004. The interpretation modifies when compensated absence liabilities are recorded under the modified accrual basis of accounting.

Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosures; and Statement No. 41, Budgetary Comparison Schedule – Perspective Differences were implemented during the year ended June 30, 2004. The statements create new basic financial statements for reporting the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements report the County's governmental activities. Beginning net assets for governmental activities has been restated to include capital assets, the Internal Service Fund and the changes in assets and liabilities at July 1, 2003 resulting from the conversion to the accrual basis of accounting.

The effects of the accounting change and other restatements in the governmental activities are summarized as follows:

	<u>Amount</u>
Net assets June 30, 2003, as previously reported	\$ 4,846,091
GASB Interpretation 6 adjustments	<u>49,698</u>
Net assets July 1, 2003, as restated for governmental funds	4,895,789
 GASB 34 adjustments:	
Capital assets, net of accumulated depreciation of \$3,814,602	4,210,833
Internal Service Fund	(29,924)
Long-term liabilities	(730,608)
Deferral of long-term assets	<u>36,363</u>
 Net assets July 1, 2003, as restated	 <u><u>\$ 8,382,453</u></u>

**(15) Pending Litigation**

The County is subject to a potential lawsuit and a defendant in lawsuits for which the probability and amount of loss, if any, is undeterminable.

**(16) Subsequent Event**

On July 1, 2004, the County sold the transfer station to the South Central Iowa Solid Waste Agency for \$1. Poweshiek County and the South Central Iowa Solid Waste determined it was more efficient for the South Central Iowa Solid Waste to operate both locations.

**Poweshiek County**

### **Required Supplementary Information**

Poweshiek County

Budgetary Comparison Schedule of  
Receipts, Disbursements and Changes in Balances -  
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2004

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
Receipts:				
Property and other county tax	\$ 4,578,720	4,666,104	4,666,104	(87,384)
Interest and penalty on property tax	48,531	40,000	40,000	8,531
Intergovernmental	4,239,004	3,694,291	4,253,694	(14,690)
Licenses and permits	62,237	43,521	43,521	18,716
Charges for service	1,325,864	1,020,900	1,020,900	304,964
Use of money and property	88,060	105,797	105,797	(17,737)
Fines, forfeitures and defaults	2,912	-	-	2,912
Miscellaneous	54,131	58,000	108,000	(53,869)
Total receipts	10,399,459	9,628,613	10,238,016	161,443
Disbursements:				
Public safety and legal services	1,322,707	1,401,033	1,528,028	205,321
Physical health and social services	349,571	484,599	413,342	63,771
Mental health	1,379,741	1,568,131	1,568,131	188,390
County environment and education	1,319,581	1,590,183	1,457,945	138,364
Roads and transportation	2,844,270	3,906,000	3,915,000	1,070,730
Governmental services to residents	391,264	420,212	432,088	40,824
Administration	846,994	890,730	979,646	132,652
Non-program	108,122	6,200	134,678	26,556
Debt service	95,483	95,484	95,484	1
Capital projects	603,065	131,000	940,000	336,935
Total disbursements	9,260,798	10,493,572	11,464,342	2,203,544
Excess (deficiency) of receipts over (under) disbursements	1,138,661	(864,959)	(1,226,326)	2,364,987
Other financing sources, net	-	1,500	1,500	(1,500)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,138,661	(863,459)	(1,224,826)	2,363,487
Balance beginning of year	4,798,909	4,782,066	5,283,330	(484,421)
Balance end of year	\$ 5,937,570	3,918,607	4,058,504	1,879,066

See accompanying independent auditor's report.

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Poweshiek County  
Budgetary Comparison Schedule - Budget to GAAP Reconciliation  
Required Supplementary Information  
Year ended June 30, 2004

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 10,399,459	121,103	10,520,562
Expenditures	9,260,798	(304,241)	8,956,557
Net	1,138,661	425,344	1,564,005
Other financing sources, net	-	-	-
Beginning fund balances	4,798,909	96,880	4,895,789
Ending fund balances	\$ 5,937,570	522,224	6,459,794

See accompanying independent auditor's report.



Poweshiek County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2004

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Internal Service and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$970,770. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2004, disbursements in the non-program and capital projects functions exceeded the amounts budgeted before budget amendments were adopted.

### **Other Supplementary Information**

Poweshiek County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2004

	Special				
	Urban Renewal Revenue	Resource Enhancement and Protection	County Recorder's Records Management	Conservation Land Acquisition	Recorder Electronic Transaction
<b>Assets</b>					
Cash and pooled investments	\$ 17,964	55,007	28,063	34,709	22,719
Receivables:					
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	332,000	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	86	-	-
Due from other governments	8	160	-	2,467	-
<b>Total assets</b>	<b>\$ 349,972</b>	<b>55,167</b>	<b>28,149</b>	<b>37,176</b>	<b>22,719</b>
<b>Liabilities and Fund Equity</b>					
Liabilities:					
Accounts payable	\$ -	-	-	7,746	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue:					
Succeeding year property tax	332,000	-	-	-	-
Other	-	-	-	-	-
Total liabilities	<b>332,000</b>	<b>-</b>	<b>-</b>	<b>7,746</b>	<b>-</b>
Fund equity:					
Fund balances:					
Reserved for debt service	-	-	-	-	-
Unreserved:					
Designated for postclosure care	-	-	-	-	-
Undesignated	17,972	55,167	28,149	29,430	22,719
Total fund equity	<b>17,972</b>	<b>55,167</b>	<b>28,149</b>	<b>29,430</b>	<b>22,719</b>
<b>Total liabilities and fund equity</b>	<b>\$ 349,972</b>	<b>55,167</b>	<b>28,149</b>	<b>37,176</b>	<b>22,719</b>

See accompanying independent auditor's report.

Revenue						
Sheriff/ Jail	Special Law Enforcement	Contact Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Debt Service	Total
1,324	6,262	76,950	915	961,540	13,055	1,218,508
-	-	-	-	-	144	144
-	-	-	-	-	37,000	369,000
-	45,651	-	-	51,114	-	96,765
-	-	-	-	-	-	86
-	-	-	-	2,276	16	4,927
1,324	51,913	76,950	915	1,014,930	50,215	1,689,430
-	-	280	-	46,854	-	54,880
-	-	-	-	12,821	-	12,821
-	-	-	-	1,264	-	1,264
-	-	-	-	-	37,000	369,000
-	-	-	-	-	144	144
-	-	280	-	60,939	37,144	438,109
-	-	-	-	-	13,071	13,071
-	-	-	-	375,000	-	375,000
1,324	51,913	76,670	915	578,991	-	863,250
1,324	51,913	76,670	915	953,991	13,071	1,251,321
1,324	51,913	76,950	915	1,014,930	50,215	1,689,430

Poweshiek County

Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds

Year ended June 30, 2004

	Special				
	Urban Renewal Revenue	Resource Enhancement and Protection	County Recorder's Records Management	Conservation Land Acquisition	Recorder Electronic Transaction
Revenues:					
Property and other county tax	\$ 289,301	-	-	-	-
Intergovernmental	1,785	11,361	-	82,024	-
Charges for service	-	-	5,673	33,153	22,689
Use of money and property	-	158	259	618	30
Fines, forfeitures and defaults	-	-	-	-	-
Miscellaneous	-	-	-	16,449	-
Total revenues	291,086	11,519	5,932	132,244	22,719
Expenditures:					
Operating:					
Public safety and legal services	-	-	-	-	-
County environment and education	195,410	-	-	-	-
Governmental services to residents	-	-	10,695	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	164,423	-
Total expenditures	195,410	-	10,695	164,423	-
Excess (deficiency) of revenues over (under) expenditures	95,676	11,519	(4,763)	(32,179)	22,719
Other financing sources (uses):					
Operating transfers in	-	-	-	50,000	-
Operating transfers out	(90,000)	-	-	(50,000)	-
Total other financing sources (uses)	(90,000)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,676	11,519	(4,763)	(32,179)	22,719
Fund balances beginning of year	12,296	43,648	32,912	61,609	-
Fund balances end of year	\$ 17,972	55,167	28,149	29,430	22,719

See accompanying independent auditor's report.

Revenue						
Sheriff/ Jail	Special Law Enforcement	Contact Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Debt Service	Total
-	-	-	-	-	76,364	365,665
-	1,100	122,575	-	44,263	3,774	266,882
-	-	-	-	859,471	-	920,986
384	2	-	-	-	242	1,693
-	48,279	-	-	-	-	48,279
-	-	-	-	1,765	-	18,214
384	49,381	122,575	-	905,499	80,380	1,621,719
228	1,629	92,898	-	-	-	94,755
-	-	-	-	846,701	-	1,042,111
-	-	-	-	-	-	10,695
-	-	-	-	-	95,482	95,482
-	-	-	-	-	-	164,423
228	1,629	92,898	-	846,701	95,482	1,407,466
156	47,752	29,677	-	58,798	(15,102)	214,253
-	-	-	-	32,468	-	82,468
(142)	(183)	-	(3)	-	-	(140,328)
(142)	(183)	-	(3)	32,468	-	(57,860)
14	47,569	29,677	(3)	91,266	(15,102)	156,393
1,310	4,344	46,993	918	862,725	28,173	1,094,928
1,324	51,913	76,670	915	953,991	13,071	1,251,321

Poweshiek County  
Combining Schedule of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2004

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ -	932	226,785	123,185
Other county officials	16,335	-	-	-
Receivables:				
Property tax:				
Delinquent	-	288	1,087	38,027
Succeeding year	-	74,000	282,000	10,085,000
Accounts	-	-	-	-
Succeeding year special assessments	-	-	-	-
Due from other governments	-	30	124	4,089
<b>Total assets</b>	<b>\$ 16,335</b>	<b>75,250</b>	<b>509,996</b>	<b>10,250,301</b>
<b>Liabilities</b>				
Accounts payable	\$ -	-	451	-
Due to other governments	5,628	75,250	499,702	10,250,301
Trusts payable	10,707	-	-	-
Compensated absences	-	-	9,843	-
<b>Total liabilities</b>	<b>\$ 16,335</b>	<b>75,250</b>	<b>509,996</b>	<b>10,250,301</b>

See accompanying independent auditor's report.

Community Colleges	Corpor- ations	Townships	Auto License and Use Tax	E11	Other	Total
8,354	40,354	711	345,229	154,458	30,052	930,060
-	-	-	-	-	-	16,335
2,589	5,848	224	-	-	776	48,839
743,000	4,828,000	48,000	-	-	122,000	16,182,000
-	-	-	-	31,464	-	31,464
-	-	-	-	-	8,411	8,411
282	2,585	14	-	-	3,689	10,813
754,225	4,876,787	48,949	345,229	185,922	164,928	17,227,922
-	-	-	-	2,386	1,321	4,158
754,225	4,876,787	48,949	345,229	183,536	158,968	17,198,575
-	-	-	-	-	4,639	15,346
-	-	-	-	-	-	9,843
754,225	4,876,787	48,949	345,229	185,922	164,928	17,227,922



Poweshiek County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2004

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets and Liabilities</b>				
Balances beginning of year	\$ 31,894	69,464	540,933	9,220,053
Additions:				
Property and other county tax	-	77,229	294,080	10,493,671
E911 surcharge	-	-	-	-
State tax credits	-	3,619	13,823	477,855
Drivers license fees	-	-	-	-
Office fees and collections	379,806	-	-	-
Electronic transaction fee	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	481,604	-	-	-
Miscellaneous	-	-	7,966	-
Total additions	861,410	80,848	315,869	10,971,526
Deductions:				
Agency remittances:				
To other funds	299,880	-	-	-
To other governments	98,101	75,062	346,806	9,941,278
Trusts paid out	478,988	-	-	-
Total deductions	876,969	75,062	346,806	9,941,278
Balances end of year	\$ 16,335	75,250	509,996	10,250,301

See accompanying independent auditor's report.

Community Colleges	Corpora- tions	Townships	Auto License and Use Tax	E911	Other	Total
673,476	3,931,131	45,172	339,257	237,920	186,813	15,276,113
773,265	4,942,474	51,036	-	-	126,976	16,758,731
-	-	-	-	131,743	-	131,743
32,516	184,556	2,526	-	-	6,145	721,040
-	-	-	112,046	-	-	112,046
-	-	-	-	-	-	379,806
-	-	-	-	-	28,375	28,375
-	-	-	4,512,838	-	-	4,512,838
-	-	-	-	-	9,042	9,042
-	-	-	-	-	163,376	644,980
-	-	-	-	1,791	38,661	48,418
805,781	5,127,030	53,562	4,624,884	133,534	372,575	23,347,019
-	-	-	159,819	-	1,460	461,159
725,032	4,181,374	49,785	4,459,093	185,532	214,617	20,276,680
-	-	-	-	-	178,383	657,371
725,032	4,181,374	49,785	4,618,912	185,532	394,460	21,395,210
754,225	4,876,787	48,949	345,229	185,922	164,928	17,227,922

**Schedule 5**

## Poweshiek County

Schedule of Revenues By Source and Expenditures By Function -  
All Governmental Funds

For the Last Four Years

Modified Accrual Basis				
	2004	2003	2002	2001
Revenues:				
Property and other county tax	\$ 4,578,672	3,908,321	3,689,156	3,502,756
Interest and penalty on property tax	48,489	44,116	46,858	39,931
Intergovernmental	4,299,715	3,872,610	4,062,443	4,070,871
Licenses and permits	62,408	48,469	45,997	40,464
Charges for service	1,340,996	1,063,772	996,763	921,388
Use of money and property	81,265	117,772	172,538	345,233
Fines, forfeitures and defaults	48,279	-	-	-
Miscellaneous	60,738	76,899	195,345	213,550
Total	\$ 10,520,562	9,131,959	9,209,100	9,134,193
Expenditures:				
Operating:				
Public safety and legal services	\$ 1,313,854	1,386,366	1,331,694	1,211,084
Physical health and social services	339,050	316,497	473,582	566,829
Mental health	1,388,723	1,469,530	1,346,804	1,269,632
County environment and education	1,337,631	979,027	962,059	1,388,742
Roads and transportation	2,424,210	3,053,470	3,665,304	4,021,593
Governmental services to residents	390,692	345,860	452,403	410,997
Administration	837,374	752,288	797,830	816,767
Non-program	114,127	118,863	19,440	24,346
Debt service	95,482	97,733	99,982	68,023
Capital projects	715,414	30,517	492,267	42,346
Total	\$ 8,956,557	8,550,151	9,641,365	9,820,359

See accompanying independent auditor's report.

**Poweshiek County**

**Schedule 6**

## Poweshiek County

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursements:			
State Administrative Matching Grants for			
Food Stamp Program	10.561		\$ 8,110
U.S. Department of Justice:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency			
Management Division:			
State Domestic Preparedness Equipment			
Support Program	16.007		3,320
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205		540,364
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency			
Management Division:			
Interagency Hazardous Materials Public Sector			
Training and Planning Grants	20.703		26,195
U.S. Department of Education:			
Iowa Department of Education - Division of Vocational			
Rehabilitation Services:			
Rehabilitation Services - Vocational Rehabilitation			
Grants to States	84.126		1,901
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		10,425
Refugee and Entrant Assistance - State			
Administered Programs	93.566		39
Child Care Mandatory and Matching Funds			
of the Child Care and Development Fund	93.596		1,890
Foster Care - Title IV-E	93.658		4,809
Adoption Assistance	93.659		1,274
Medical Assistance Program	93.778		10,528
Social Services Block Grant	93.667		6,860
Social Services Block Grant	93.667		81,452
			88,312
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency			
Management Division:			
Hazard Mitigation Grant	97.039		1,548
Emergency Management Performance Grants	97.042		10,791
Total			\$ 709,506

Poweshiek County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Poweshiek County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

**Poweshiek County**



**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

**Independent Auditor's Report on Compliance  
and on Internal Control over Financial Reporting**

To the Officials of Poweshiek County:

We have audited the financial statements of Poweshiek County, Iowa, as of and for the year ended June 30, 2004, and have issued our report thereon dated January 20, 2005. A qualified opinion was issued on the changes in financial position of the governmental activities and the Secondary Roads Fund, a major governmental fund, due to the omission of materials and supplies inventories pertaining to the Secondary Roads Fund at July 1, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Poweshiek County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved.

**Internal Control Over Financial Reporting**

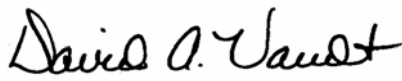
In planning and performing our audit, we considered Poweshiek County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Poweshiek County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.




A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item II-A-04 is a material weakness. Prior year reportable conditions have not been resolved and are repeated as items II-A-04 and II-B-04.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Poweshiek County and other parties to whom Poweshiek County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Poweshiek County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

January 20, 2005

**Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and Internal Control over Compliance**

**Poweshiek County**



## OFFICE OF AUDITOR OF STATE STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

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Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

### Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance

To the Officials of Poweshiek County:

#### Compliance

We have audited the compliance of Poweshiek County, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2004. Poweshiek County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Poweshiek County's management. Our responsibility is to express an opinion on Poweshiek County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Poweshiek County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Poweshiek County's compliance with those requirements.

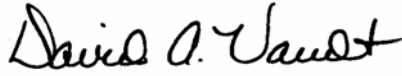
In our opinion, Poweshiek County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.


#### Internal Control Over Compliance

The management of Poweshiek County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Poweshiek County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Poweshiek County and other parties to whom Poweshiek County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

January 20, 2005

Poweshiek County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2004

**Part I: Summary of the Independent Auditor's Results:**

- (a) A qualified opinion was issued on the financial statements due to the omission of materials and supplies inventories pertaining to the Secondary Roads Fund at July 1, 2003.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) The audit did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (f) The major program was CFDA Number 20.205 – Highway Planning and Construction.
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) Poweshiek County did not qualify as a low-risk auditee.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

- II-A-04 Segregation of Duties – During our review of internal control, the existing activities are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements.

Generally, one individual in the County Sheriff's office and one individual in the County Recorder's office may have control over opening and listing mail receipts, collecting, depositing, posting and daily reconciling of receipts for which no compensating controls exist. Bank reconciliations are not reviewed by an independent person with no responsibility for receipts and disbursements in the Recorder's and Treasurer's office. In the Treasurer's office, investments are not periodically inspected, confirmed or reconciled to the investment records by an independent person having no responsibility for investments.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each County official should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances. The County official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

An employee who is not authorized to make entries to the accounting records should open all incoming mail. This employee should prepare a listing of cash and checks received. The mail could then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.

Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash. The bank reconciliations should then be reviewed by an independent person with no responsibility for receipts and disbursements. Investments should be periodically inspected, confirmed or reconciled to the investment records by an independent person having no responsibility for investments.

Response –

- (a) Sheriff's Office – Due to the minimal staffing and workload of the Sheriff's Office, we are taking every measure possible to follow the recommendations without jeopardizing the prompt service the public has become accustomed to. We currently have one other employee on the day shift assisting in some of the duties.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

- (b) Recorder's Office – The mail is opened by a person who is not on the checking account and a daily list of checks and cash received is made by that person and checked off when deposits are made. A separate employee does the bank reconciliation promptly at the beginning of each month.
- (c) Treasurer's Office – The Treasurer will consider the comments and recommendations. The Treasurer will appoint an independent person with no responsibility for receipts and disbursements who is currently employed by the Treasurer to review bank reconciliations. The Treasurer will ask the Board to periodically inspect, confirm or reconcile investments to the investment records. The Treasurer feels that the Board should receive instruction on where investment records are kept, how to read them and where to locate the investment. This exercise is futile unless the viewing and reconciling of investments is done at random, unannounced intervals throughout the year.

Conclusion –

- (a) Response acknowledged. For offices with limited staff, other County personnel could be used to provide additional control through review of financial transactions.
- (b) Response acknowledged. The employee reconciling the initial listing to deposits is not independent. The employee who performs the bank reconciliation may also sign checks and handles cash. For offices with limited staff, other County personnel could be used to provide additional control through review of financial transactions.
- (c) Response accepted.

II-B-04 Information Systems – During our review of internal control, the existing control activities in the County's computer based systems were evaluated in order to determine activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. The following weaknesses in the County's computer based systems were noted:

The County does not have written policies for:

- password privacy and confidentiality.
- requiring users to change their password every 60 to 90 days.
- time-out or log-off functions to protect unattended terminals. Screen saver passwords are not used to protect unattended terminals.
- ensuring only software licensed to the County is installed on computers.



Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

Also, the County does not have a written disaster recovery plan.

Recommendation – The County’s written policies should address the above items in order to improve the County’s control over computer based systems. A written disaster recovery plan should be developed.

Response – Poweshiek County will comply with the recommendation.

Conclusion – Response accepted.

- II-C-04 Capital Assets – A lack of segregation of duties exists in recording and reconciling capital assets. An independent person does not reconcile significant assets with the accounting records. Periodic comparisons are not made between amounts recorded in the accounting system and the physical assets. Capital assets are not tested periodically by an individual with no responsibility for capital assets. Depreciation calculations are not reviewed to ensure accuracy.

Recommendation – The Board of Supervisors should develop a policy for capital assets including, but not limited to, responsibilities for custody and safekeeping of assets. Depreciation calculations should be reviewed to ensure accuracy.

Response – Poweshiek County will comply with the recommendation.

Conclusion – Response accepted.

- II-D-04 Timely Reimbursement Requests – As of June 30, 2004, \$58,608 of grant expenditures incurred as of August 2003 had not been requested for reimbursement. In addition, grant reimbursements are not requested until the project is completed.

Recommendation – The County should establish procedures to ensure grant reimbursement requests are submitted and received in a timely manner.

Response – We will apply to have the additional money reimbursed to us before February 1, 2005.

Conclusion – Response acknowledged. The County should establish procedures to ensure grant reimbursement requests are submitted and received in a timely manner.

Poweshiek County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2004

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

No material weaknesses in internal control over the major programs were noted.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

**Part IV: Other Findings Related to Required Statutory Reporting:**

IV-A-04 Official Depositories – A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.

IV-B-04 Certified Budget – Disbursements in the non-program and capital projects functions exceeded the amounts budgeted before budget amendments were adopted.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – The County will comply with the recommendation.

Conclusion – Response accepted.

IV-C-04 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-D-04 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-E-04 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-F-04 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-G-04 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-H-04 Deposits and Investments – No instances of non-compliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-I-04 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

- IV-J-04 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2004 for the County Extension Office did not exceed the amount budgeted.

- IV-K-04 Budgets - Budgets for E911 and Emergency Management were not certified by March 15 and February 28, respectively, in accordance with Chapters 331.437(7) and 29C.17(5), respectively, of the Code of Iowa.

Recommendation – Budgets should be certified before March 15 and February 28 in accordance with Chapters 331.437(7) and 29C.17(5) of the Code.

Response – The Board of Supervisors will notify the E911 Commission and the Emergency Management of the deficiency.

Conclusion - Response accepted.

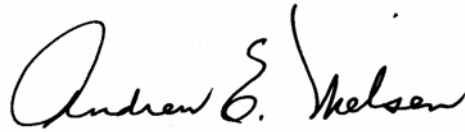
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Poweshiek County

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager  
Selina V. Johnson, CPA, Senior Auditor II  
Jedd D. Moore, Staff Auditor  
Trevor L. Theulen, Assistant Auditor  
Lisa M. Johnson, Auditor Intern

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State